



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

September 30, 1999

4APT-ARB

Howard L. Rhodes, Director
Department of Environmental Protection
Division of Air Resources Management
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

SUBJ: EPA's Review of Proposed Title V Permit
Gulf Power Company
Scholz Electric Generating Plant
Permit No. 0630014-001-V

Dear Mr. Rhodes:

The purpose of this letter is to provide comments to the Florida Department of Environmental Protection (DEP) on the proposed title V operating permit for Gulf Power Company - Scholz Electric Generating Plant, which was posted on DEP's web site on August 17, 1999. Based on the Environmental Protection Agency's (EPA's) review of the proposed permit and the supporting information for this facility, EPA formally objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 C.F.R. §70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the title V permit for this facility. The basis of EPA's objection is that the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. §70.6(a)(3)(i), and does not assure compliance with the applicable requirements of 40 C.F.R. §70.6(a)(1).

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or 40 C.F.R. Part 70. Section 70.8(c)(4) and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised

permit be submitted in advance in order that any outstanding issues may be addressed prior to the expiration of the 90-day period.

Pursuant to 40 C.F.R. §70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70. The enclosure also contains general comments applicable to the permit.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief, Operating Source Section at (404) 562-9141. Should your staff need additional information they may contact Ms. Elizabeth Bartlett, Florida Title V Contact, at (404) 562-9122 or Ms. Angelia Souder-Blackwell, Associate Regional Counsel, at (404) 562-9527.

Sincerely,

/s/

Winston A. Smith
Director
Air, Pesticides & Toxics
Management Division

Enclosure

cc: Mr. James O. Vick
Mr. G. Dwain Waters
Gulf Power Company

KFortney:09/29/99:K:Scholz.wpd.X29130

Concurrences					
K. Fortney	G. Worley	K. Cody	D. Neeley	M. Fox	W. Smith

Enclosure

**U.S. EPA Region 4 Objection
Proposed Part 70 Operating Permit
Gulf Power Company
Scholz Electric Generating Plant
Permit No. 0630014-001-AV**

I. EPA Objection Issues

1. Periodic Monitoring: Condition A.17 of the permit requires the source to conduct annual testing for particulate matter. The Statement of Basis for this permit states that this testing frequency “is justified by the low emission rate documented in previous emissions tests while firing coal” and “the Department and EPA have determined that sources without controls whose emissions are less than half the effective standard shall test annually.”

While EPA has in the past accepted this approach as adequate periodic monitoring for particulate matter, it has done so only for uncontrolled natural gas and fuel oil fired units. The oil/coal fired units addressed in condition A.17 use add-on control equipment to comply with the applicable particulate matter standard. In order to provide reasonable assurance of compliance for these units, the results of annual stack testing will have to be supplemented with additional monitoring. Furthermore, the results of an annual test alone would not constitute an adequate basis for the annual certification of compliance that the facility will have to submit for these units.

The most common approach addressing periodic monitoring for particulate emission limits on units with add-on controls is to establish an opacity or a control device parameter indicator range that would provide evidence of proper control device operation. The primary goal of such monitoring is to provide reasonable assurance of compliance, and one way of achieving this goal is to use opacity data or control device operating parameter data from previous successful compliance tests to identify the range of values that has corresponded to compliance in the past. Operating within the range of values identified in this manner would provide assurance that the control device is operating properly and would serve as the basis for an annual certification. Depending upon the margin of compliance during the tests used to establish the opacity or control device indicator range, going outside the range could represent either a period of time when an exceedance of the applicable standard is likely or it could represent a trigger for initiating corrective action to prevent an exceedance of the standard. In order to avoid any confusion regarding the consequences of going outside the indicator range, the permit must specify whether corrective action must be taken when a source operates outside the established indicator range.

One possible way of resolving this deficiency in the Scholz permit would be to use language similar to that found in the proposed Plant Crist Title V permit.

2. Compliance Testing: This permit is not clear about the frequency of testing that the facility needs to follow for particulate matter (PM). Condition A.17 states that the source must conduct annual testing for PM. However, condition A.25 establishes that the facility will conduct testing once a year if liquid or solid fuel is burned more than 400 hours, and no other testing is required otherwise. The permit needs to be clear about which one of these conditions the facility must follow to demonstrate compliance with PM limits. Additionally, this permit needs to include the regulatory basis for condition A.17.
3. Appropriate Averaging Times: The particulate matter emission limits contained in conditions A.5 and A.7 do not contain averaging times. Because the stringency of emission limits is a function of both magnitude and averaging time, appropriate averaging times must be added to the permit in order for the limits to be practicably enforceable. An approach that may be used to address this deficiency is to include a general condition in the permit stating that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance.

Additionally, condition A.18 does not contain an averaging time and should be revised. One possible resolution to this deficiency is to include a permitting note regarding the six minute averaging time of the visible emissions limit similar to the one in condition B.19 of the proposed Plant Crist permit.

4. Acid Rain: Section IV, "Acid Rain Part", Condition A.2. contains NO_x requirements for units 1 and 2. The requirement that the annual heat input for unit 2 shall not be "less than 1,864,795 mmBtu" appears to be in error. Please note that 40 CFR 76.11(d)(B) requires that for each unit in a NO_x Averaging Plan with an alternative contemporaneous emission limit (ACEL) that is less stringent than the applicable emission limit in § 76.5, 76.6, or 76.7, the actual annual heat input for the calendar year should not exceed the annual heat input limit in the averaging plan. Since the ACEL chosen by the source for unit 2 in the averaging plan is less stringent than the applicable emission limit for this unit, the requirement contained in Condition A.2. should be revised to indicate that the unit shall not have an annual heat input "greater than 1,864,795 mmBtu."
5. Compliance with Emissions Standards: Conditions A.9 and A.10 contain the SO₂ emission limits of 6.17 lb/mmBtu and 2.75 lb/mmBtu when burning solid and liquid fuels, respectively. Condition A.22 indicates compliance will be demonstrated for the SO₂ emission limits using continuous emission monitoring

based on 24-hour averages. It is unclear in the permit which emission standard applies when both solid and liquid fuels are burned in the same 24-hour period.

II. General Comments

1. Compliance Certification: Facility-wide Condition 12 of the permit should specifically reference the required components of Appendix TV-3, item 51, which lists the compliance certification requirements of 40 C.F.R. 70.6(c)(5)(iii), to ensure that complete certification information is submitted to EPA.
2. Section III, A.9: Condition A.9 specifies that, when burning solid fuel, sulfur dioxide emissions shall not exceed 6.17 lb/mmBtu. Although Condition A.16 indicates that continuous emissions monitors will be used to assure compliance with this limit, we recommend that condition A.16 be revised to clarify that the dilutant (CO₂ or O₂) concentration is also monitored to ensure compliance with A.9.
3. Section III, A.20: Condition A.20 states during the particulate matter emission test, there must be a minimum sample volume of 30 dry standard cubic feet. Condition A.30(b) states the minimum sample volume will be 25 dry standard cubic feet, unless otherwise specified. In order to clarify which condition is applicable, we recommend adding a permitting note to Condition A.20.
4. Section III, A.22: Condition A.22 states, when there is less than 18 hours of valid data from the CEMS, fuel sampling will be done to ensure compliance. Condition A.22 should be revised to clarify the need for fuel sampling when both solid and liquid fuel are burned in the same 24-hour period, yet one or more of the fuels are burned less than the required 18 hours.
5. Acid Rain: Please note that the Phase II Averaging Plan submitted by the source is an enforceable part of this permit. The Averaging Plan, Phase II NO_x Compliance Plan and Phase II Acid Rain permit application should be referenced and attached as enforceable parts of the Title V permit. We note that Phase II permit applications, Phase II NO_x Compliance Plans and the Phase II Averaging Plans submitted by this source are referenced in Condition A.1 of the proposed permit and under the Section entitled, "Referenced attachments made part of this permit" by the form number and a date. It is unclear, however, whether or not the dates referenced in these sections are dates in which the documents were received by Florida DEP or the date that the forms were signed by the respective designated representative. The signature dates on the documents do not correspond with the dates referenced in the permit body. In order to avoid confusion, particularly when there are revisions to original plans that are being incorporated into the permit, we recommend that the permit refer to the signature

date as indicated on the specific document being referenced (e.g., DEP Form NO 62-210.900(1)(a)5, F.A.C., signed 08/17/99).

6. Acid Rain: Appendix CP-1, Section IV, Acid Rain Part, Condition A.2. indicates the NOx requirements for units 1 and 2. The citation indicated “40 C.F.R. 76.5(a)(1)” appears to be in error. Since these units are listed as dry bottom wall-fired boilers the emission limit of 0.50 lb/mmBtu should be referenced as originating under 40 C.F.R. 76.5(a)(2).

Also, we understand, that the Appendix CP-1 is only intended to address the initial issuance of the Title V/Acid Rain permit and that it does not address any future revisions to the plan. Future revisions will be subject to a different compliance plan.